

DRINKING WATER BOARD

TELECONFERENCE MEETING
PACKET

FOR
JUNE 6, 2008

IN
SALT LAKE CITY, UTAH



State of Utah

Department of
Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

DRINKING WATER BOARD
TELECONFERENCE MEETING

JUNE 6, 2008
9:00 a.m.

Place: Ken Bousfield's Office
Division of Drinking Water
150 North 1950 West
Salt Lake City, Utah 84116

Teleconference Phone # is: 1-866-258-0959

Room # is: *4834001*

**(After calling the Teleconference Phone #, a recording
will ask you to enter the room number *4834001*
(and to place a * before and after the room number.)**

1. Call to Order – Chairman Erickson
2. Roll Call – Ken Bousfield
3. Introductions – Chairman Erickson
4. SRF Application
 - 1) Garden City, Funding Increase – Rich Peterson
5. Next Board Meeting
 - Date: July 11, 2008
 - Time: 9:00 a.m.
 - Place: Heritage Center
Festival Hall
105 North 100 East
Cedar City, Utah 84720
6. Other
7. Adjourn

In compliance with the American Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact Brooke Baker, Office of Human Resources at: (801) 536-4412, TDD (801) 536-4424, at least five working days prior to the scheduled meeting.

**DRINKING WATER BOARD TELECONFERENCE
UPDATED BOARD PACKET FOR CONSTRUCTION LOAN**

BACKGROUND

The Town of Garden City has a spring source that has been declared UDI (under direct influence). The Division and the Town have joined into a Bilateral Compliance Agreement (BCA) to correct the problem. In working with the Town, the Board has previously (in September 2002, April 2004, January 2006, and most recently February 2008) authorized \$2,500,000 in loans at 2.31% for 20 years to build a membrane filtration plant and storage tank. A Bond Anticipation Note (\$254,000) has already been closed and put in escrow. The Board also authorized a planning loan of \$33,000 in March 2002. Rural Development/USDA (RD) has authorized a \$2,024,000 loan at 4.375% for 40 years and a \$647,000 grant. A self contribution of \$150,000 has already been spent by the Town.

Just prior to the Board meeting in St. George (February 2008), bids were opened and came in higher than originally anticipated. A request was made to increase the funding by up to \$500,000 (which was authorized at the February 2008 Board meeting). It was anticipated that RD would provide an additional \$250,000 in grant while the Board would provide the remaining \$250,000 in loan. RD cannot provide this grant, so the Town will need the full \$500,000 from the Board. The loan closing has been delayed, because the RD Office of General Council has not approved their closing documents. Because the loan did not close within the 60 day window after bid opening, the contractor's supplier has increased his bid on pipe prices by \$49,000. Since RD cannot provide this money, either, this leaves a contingency of only \$139,000. Because of this and the possibility of cost overruns, staff suggests that the funding level be raised by another \$200,000.

The Town has decided to award the bid to the contractor to hold all costs and is relying on RD to approve their final loan documents and the Board to authorize this additional \$200,000 for contingency.

SRF/CONSERVATION COMMITTEE RECOMMENDATION:

The Board authorizes an additional \$200,000 in loan for a total of \$2,700,000 with the same terms as previously authorized (2.31% over 20 years). The \$33,000 planning loan would also be rolled into the bond for a total bond amount of \$2,733,000. The loan origination fee would be \$27,000.

Garden City

\$200,000 added to last payment with
\$10k, \$8k, \$6k, \$4k, & \$2k adjusted
on first 5 years' principal

100 % Loan & 0 % Grant

PROPOSED BOND REPAYMENT SCHEDULE

PRINCIPAL \$2,733,000.00
INTEREST 2.31%
TERM 20
NOMIN. PAYMENT \$172,183.08

ANTICIPATED CLOSING DATE 11-Jun-08
P&I PAYMT DUE 01-Jan-10
REVENUE BOND
PRINC PREPAID: \$0.00

YEAR	BEGINNING BALANCE	DATE OF PAYMENT	PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	PAYM NO.
2009	\$2,733,000.00		\$35,073.50 *	\$0.00	\$35,073.50	\$2,733,000.00	0
2010	\$2,733,000.00		\$154,132.30	\$91,000.00	\$63,132.30	\$2,642,000.00	1
2011	\$2,642,000.00		\$157,030.20	\$96,000.00	\$61,030.20	\$2,546,000.00	2
2012	\$2,546,000.00		\$159,812.60	\$101,000.00	\$58,812.60	\$2,445,000.00	3
2013	\$2,445,000.00		\$161,479.50	\$105,000.00	\$56,479.50	\$2,340,000.00	4
2014	\$2,340,000.00		\$164,054.00	\$110,000.00	\$54,054.00	\$2,230,000.00	5
2015	\$2,230,000.00		\$166,513.00	\$115,000.00	\$51,513.00	\$2,115,000.00	6
2016	\$2,115,000.00		\$165,856.50	\$117,000.00	\$48,856.50	\$1,998,000.00	7
2017	\$1,998,000.00		\$166,153.80	\$120,000.00	\$46,153.80	\$1,878,000.00	8
2018	\$1,878,000.00		\$166,381.80	\$123,000.00	\$43,381.80	\$1,755,000.00	9
2019	\$1,755,000.00		\$166,540.50	\$126,000.00	\$40,540.50	\$1,629,000.00	10
2020	\$1,629,000.00		\$166,629.90	\$129,000.00	\$37,629.90	\$1,500,000.00	11
2021	\$1,500,000.00		\$166,650.00	\$132,000.00	\$34,650.00	\$1,368,000.00	12
2022	\$1,368,000.00		\$166,600.80	\$135,000.00	\$31,600.80	\$1,233,000.00	13
2023	\$1,233,000.00		\$166,482.30	\$138,000.00	\$28,482.30	\$1,095,000.00	14
2024	\$1,095,000.00		\$166,294.50	\$141,000.00	\$25,294.50	\$954,000.00	15
2025	\$954,000.00		\$166,037.40	\$144,000.00	\$22,037.40	\$810,000.00	16
2026	\$810,000.00		\$165,711.00	\$147,000.00	\$18,711.00	\$663,000.00	17
2027	\$663,000.00		\$166,315.30	\$151,000.00	\$15,315.30	\$512,000.00	18
2028	\$512,000.00		\$165,827.20	\$154,000.00	\$11,827.20	\$358,000.00	19
2029	\$358,000.00		\$366,269.80	\$358,000.00	\$8,269.80	\$0.00	20
			\$3,525,845.90	\$2,733,000.00	\$792,845.90		

*Interest Only Payment